

Message Text

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ACTION EB-07

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E.O. 11652: N/A

TAGS: BBAK, EGEN, EINV, ELAB, PINT, IT

SUBJECT: APPARENT RESOLUTION OF WHITE FARM EQUIPMENT SITUATION

REF MILAN 1911, MILAN 1851, MILAN A-51, MILAN 1780

1. ARTICLE IN MILAN DAILY IL GIORNO DATELINED PIACENZA, 12 NOVEMBER DECLARED WHITE FARM EQUIPMENT BRANCH LOCATED IN PIACENZA WILL BE SOLD TO EMPLOYEES OF BRANCH. THE SALE WILL TAKE PLACE NOVEMBER 30, WITH THE NEW CORPORATION, CALLED NUOVA ARBOS S.P.A., COMMENCING BUSINESS DECEMBER 1.

2. THE NEW COMPANY WILL ACQUIRE THE LAND, PLANT, MACHINERY AND EQUIPMENT, FINISHED PRODUCTS, AND MATERIALS IN THE WAREHOUSE AS WELL AS USE OF THE PATENTS AND TECHNOLOGY OF THE PRESENT FIRM.

3. THE EMPLOYEES WILL MAKE A "SYMBOLIC PAYMENT" OF LIT. 100 MILLION (\$150,000 AT \$1-LIT. 670). PAYMENT WILL BE MADE ON THE BASIS OF \$800 IN ROYALTIES FOR EVERY HARVESTOR SOLD PLUS ASSSMPTION OF A PART OF THE DEBETS OF WHITE.

4. ON THE BASIS OF A SUBSCRIPTION OF A HALF MILLION LIRE A PERSON (\$750), THE EMPLOYEES WILL FORM AN INITIAL CAPITAL OF SOME LIT. 200 MILLION (\$300,000). THEY HOPE TO RECEIVE ADDITIONAL FINANCING FROM THE STATE TO BRING UNCLASSIFIED

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TOTAL WORKING CAPITAL TO AROUND LIT. 6 BILLION (\$9 MILLION).

5. ACCORDING TO THE ARTICLE, A MEETING CONCERNING THE WHITE-ARBOS SITUATION WAS TO TAKE PLACE NOVEMBER 12 AT THE MINISTRY OF INDUSTRY AND CRAFTS IN WHICH MINISTER DONAT CATTIN WOULD PARTICIPATE. THE ARTICLE SUGGESTED THE TOPIC OF THIS MEETING WOULD BE THE QUESTION OF STATE PARTICIPATION IN THE FINANCING OF NUOVA ARBOS.

6. ON OR BEFORE NOVEMBER 20, WHITE IS COMMITTED TO PAY OUT LIT. 400 MILLION (\$600,000) IN RETIREMENT FUNDS, A SUM WHICH OTHERWISE WOULD HAVE BEEN PAID PIECEMEAL AS INDIVIDUAL EMPLOYEES RETIRED, ASSUMING WHITE REMAINED IN BUSINESS HERE.FINA

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